

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

<p>In the Matter of:</p> <p>Developing a Unified Inter-carrier Compensation Regime</p>	<p>CC Docket No. 01-92</p>
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**REPLY COMMENTS OF THE
RURAL IOWA INDEPENDENT TELEPHONE ASSOCIATION**

The Rural Iowa Independent Telephone Association (RIITA) in reply to comments filed in this docket urges the FCC to consider the factors originally discussed in RIITA's comments that were stated in a number of different ways in other comments: recognize the difference between rural independent and large urban carriers, determine the actual impact of any proposed plan on actual rural carriers using existing and current data, maintain the Universal Service Fund and provide an adequate return on investment for rural carriers.

In particular, it has become clear from the comments filed in this proceeding is that determining the impact of any plan is critical. Proponents of the plans offered have not determined what the impact will be on rural independent companies using actual data from individual companies. In the absence of this information, the FCC cannot determine whether a compensation plan is reasonable.

The lack of information on the impact of the proposals is illustrated in the Reply Comments filed by GVNW Consulting, Inc. In Appendix A, GVNW shows

the impact on 97 different rural independents, demonstrating large shortfalls for each company. RIITA notes that GVNW also provides valuable comments on the issues facing the FCC in rewriting intercarrier compensation rules for rural carriers. Clarifying existing rules, addressing key issues, restricting certain abuses by specific parties and enforcing existing rules would make the system work in the short run.

More to the point, the FCC cannot even determine whether a given plan would constitute confiscation of property as noted by South Slope Cooperative Telephone Company in its comments. South Slope further illustrates the dramatic impact each plan would have on its company by demonstrating that each plan would result in a shortfall exceeding—dramatically exceeding in some instances—two million dollars per year. That is the shortfall for one Iowa independent, in a state with more than 130 independent carriers. The shortfall varies for different companies using actual current data and it is clear that this evaluation has not been made under the proposed plans. RIITA encourages the FCC to evaluate the impact on every independent to determine the impact of a proposed plan prior to adopting an intercarrier compensation plan.

In addition, RIITA joins the comments of the National Telecommunications Cooperative Association, including its five-point blueprint for reform listed on page 14 of its comments and discussed at length in its comments. RIITA joins the remaining portions of NTCA's comments and encourages the FCC to review NTCA's critique of bill-and-keep and other proposed intercarrier compensation plans.

Finally, RIITA encourages the FCC to review the principles outlined by other rural independent carriers and groups of carriers. In the principle of Universal Service is met, as required by the Telecommunications Act, if an adequate evaluation of the impact of the plans is performed, and if carriers are compensated for the use of the networks built by their investment, a plan can be designed to meet the needs of the large carriers while treating rural independents separately, fairly and legally.

Respectfully Submitted,

/s/ Thomas G. Fisher Jr.
THOMAS G. FISHER JR.
P.O. Box 12277
Des Moines, Iowa 50312
(515) 360-7237

ATTORNEY FOR RURAL IOWA
INDEPENDENT TELEPHONE ASSOCIATION